

CITY OF SAN JOSE

2005-2006 PROPOSED CAPITAL BUDGET

GLOSSARY OF TERMS

Appropriation

The legal authorization granted by the City Council to the Administration to make expenditures and incur obligations for purposes specified in the Appropriation Ordinance.

Business Plan

A strategic planning tool, including a short-term action plan, used to guide the evaluation and prioritization of service delivery needs, the allocation of resources, and the measurement of results. City Service Area Business Plans have a five-year planning horizon to project long-term service priorities and needs as well as the CSA's planned response to address those needs. Each CSA Business Plan contains a one-year Action Plan specifying the actions to be accomplished and the performance targets to be achieved given the allocated resources.

Capital Budget

A financial plan of capital projects and the means of financing them for a given period of time.

Capital Improvement Program (CIP)

A five-year plan, separate from the annual budget, which identifies all capital projects to be undertaken during a five-year period along with cost estimates, method of financing, and a recommended schedule for completion.

Carryover

Unspent funds, either encumbered, reserved, or unobligated, brought forward from prior fiscal years.

City Service Area (CSA)

City Service Areas integrate Core Services provided by individual departments into the City's key lines of business, as viewed from the community's perspective. CSAs enable the City to plan and show results of the collaboration among the departments at a higher organizational level. There are seven CSAs, six of which deliver direct services. The seventh, Strategic Support, represents functions that provide guidance and support to the delivery of direct services.

CSA Partners

CSA Primary (or internal) **Partners** include those departments with Core Services most directly responsible for overall CSA service delivery. **CSA Contributing Partners** include departments with operational services that contribute indirectly to CSA service delivery. **CSA External Partners** include organizations outside the City that collaborate with or complement City efforts toward achieving CSA outcomes.

CSA Outcome

A desirable overall condition, or "Picture of Success". At the CSA level, the specified outcomes are the "ends" toward which the plans, efforts, resources and results of the CSA are directed.

Contingency Reserve

An appropriation of funds to cover unforeseen events during the budget year, such as emergencies, newly required programs, shortfalls in revenue or other unforeseen eventualities.

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GLOSSARY OF TERMS (CONT'D.)

Core Services

The City departments' key lines of business. Core Services produce the primary deliverables of a department.

Debt Service

The amount required to pay interest on and to retire the principal of outstanding debt.

Detail of Capital Projects

Section which provides information on the individual capital projects with funding in the current year, including the following: project name, CSA, CSA Outcome, Council District, project location, project description, project start and completion dates, project justification, project costs by type of expenditure, funding sources for the project, and the annual operating budget impact. These projects are numbered on the Use of Funds Statement.

Developer Fees

Account for developer deposits related to certain development projects as mandated by the State of California Assembly Bill #518.

Encumbrance

Financial obligations such as purchase orders, contracts, or commitments that are chargeable to an appropriation and for which a portion of the appropriation is reserved.

Expenditure Schedule

Section of the Detail of Capital Projects page that displays the various funding expenditures and schedule for the capital project.

Fiscal Year

A 12-month accounting period to which the annual budget applies; for San José, it is the period from July 1 through June 30.

Fund

An independent fiscal and accounting entity used to account for all financial transactions related to the specific purpose for which the fund was created by ordinance.

Fund Balance

The difference between total revenue sources and total expenditures in a fund. The fund balance is calculated at the end of the fiscal year.

Funding Source Schedule

Section of the Detail of Capital Projects page that displays the various funding sources and schedule for the capital project.

General Fund Capital

Capital projects that are funded by the General Fund. These projects are typically those that are not supported by designated capital funds.

Infrastructure Management System (IMS)

The City's computerized system used to identify the condition of streets, sewers and other infrastructure, forecast maintenance needs and project future replacement expenditures.

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GLOSSARY OF TERMS (CONT'D.)

Mission

A unifying statement of why an organization exists.

Operating Budget

A financial plan for the provision of direct services and support functions.

Performance Measure

Measures the results of services delivered to customers. Performance measures fall into the four Key Measurement Areas of Quality, Cost, Cycle Time, and Customer Satisfaction. Performance measures are developed at the CSA, Core Service, and Operational Service levels.

Performance Measure Goals and Targets

Quantitative benchmarks for each Performance Measure (PM). **PM Goals** represent the optimum performance level, or the long-range (typically 5 years out), planned level of performance identified in the CSA Business Plan. **PM Targets**, for CSA's and departmental Core Services, represent the one-year performance level commitment, given allocated resources.

Rebudget

Unspent or unencumbered prior year funds reauthorized for the same purpose as previously approved, usually as a result of delays in project schedules.

Reserve

Funds budgeted for a particular purpose but not authorized for immediate obligation.

Source of Funds and Use of Funds

Statements which display capital revenues by fund and capital expenditures by line item in the year they are anticipated to be received and expended.

Transfers

Transfers between funds to account for reimbursements for services, overhead expenses, or other payments.

Two-Year Budget Plan

The budget plan contains strategies and business plans for continuing to provide excellent city services and facilities. Provides a comprehensive and integrated approach to linking the City's adopted Economic Development Strategy, City Service Area business plans, and General Plan goals.

Values

Values guide behavior in carrying out the work of the organization.

Vision

A guiding statement describing a desirable future state toward which efforts should be directed. An effective vision statement inspires creativity while keeping an organization "on track" for the future by aligning its priorities.